

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1743 – HB 1769

March 14, 2016

**SUMMARY OF ORIGINAL BILL:** Requires the Tennessee Wildlife Resources Agency (TWRA), or a lessee of TWRA real property, to enter into a written agreement with the legislative body of each applicable taxing jurisdiction of TWRA owned property, to make payments in lieu of ad valorem taxes (PILOT) in an amount equal to the ad valorem taxes that were or would have been payable on the real property for the tax year prior to the year the property was purchased or otherwise acquired by TWRA.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$500,000/Tennessee Wildlife Resources Agency

Increase Local Revenue - \$500,000

**SUMMARY OF AMENDMENT (013932):** Deletes all language of the original bill except for the effective date provision. Requires the Tennessee Wildlife Resources Agency (TWRA), the Department of Agriculture (DOA), the Department of Environment and Conservation (TDEC), and the University of Tennessee Agricultural Extension (UTAE) to make payments in lieu of ad valorem taxes (PILOT) equal to the ad-valorem taxes that would have otherwise been paid to a local government on land acquired after the effective date of the legislation in the name of the state or held by a state government agency in the name of the state, in counties where the state owns at least 18 percent of the total acreage within the county. Specifies that TWRA, DOA, TDEC, and UTAE are not required to pay additional PILOT on property for which cities and counties are currently receiving compensation under the provisions of Tenn. Code Ann. § 11-14-406 which codifies the Wetland Compensation Fund; the provisions of Tenn. Code Ann. § 11-7-109, which codifies the Conservation Compensation Fund; or any other provision of law.

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## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

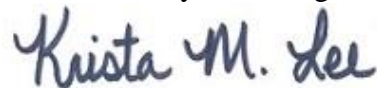
**Other Fiscal Impact – To the extent the state acquires land after the effective date of the legislation that will require the state to pay additional payments in lieu of tax (PILOT); the recurring increase in state expenditures for PILOT and the recurring increase in local revenue from receipt of PILOT, is estimated to exceed \$5,000 statewide. Otherwise, the fiscal impact is considered not significant.**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 67-5-203(a)(1), all state property used exclusively for public purposes is exempt from taxation.
- Based on information provided by TDEC, Campbell County and Morgan County are currently the only counties with at least 18 percent of the total acreage in the county owned by TWRA, DOA, TDEC, or UTAE.
- Though the amount of PILOT that will be made by the state on land that is acquired in eligible counties after the effective date of the legislation is unknown; it is reasonably estimated that the recurring increase in state expenditures for PILOT and the recurring increase in local revenue from receipt of additional PILOT is estimated to exceed \$5,000 for any such future land acquisition.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/amj